
Introduced by Senator Ashburn

February 22, 2005

An act to amend Section 21073.7 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 881, as introduced, Ashburn. Public employees' retirement: election to First Tier.

(1) The Public Employees' Retirement Law authorizes a member subject to Second Tier benefits and employed by the state on or after January 1, 2000, to make an irrevocable election to be subject to First Tier benefits and to make the contributions specified. Existing law permits an election to be made at any time prior to retirement and requires that election to be signed by the member's spouse.

This bill would instead provide that an election shall only be valid if made at least 3 years prior to retirement and shall be signed by the member's spouse or designated beneficiary.

(2) Existing law authorizes a member employed by the state on or after January 1, 2000, with past service credited under the Second Tier to make an irrevocable election at any time prior to retirement to have his or her past Second Tier service converted to First Tier benefits by making the required contributions, as specified.

This bill would delete that provision of law.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21073.7 of the Government Code is
2 amended to read:

1 21073.7. (a) A member subject to the Second Tier benefits
2 provided in Section 21076 or 21077 who is employed by the state
3 on or after January 1, 2000, may make an irrevocable election, to
4 be filed with the board, to be subject to the First Tier benefits
5 provided in Section 21354.1 and to make the contributions
6 specified in Section 20677. An election to be subject to Section
7 21354.1 ~~may be made at any time~~ *shall only be valid if made at*
8 *least three years* prior to retirement and shall be signed by the
9 member's spouse *or designated beneficiary*. An election shall be
10 effective the first day of the month following the date the election
11 is received by the system and shall be applicable to state service
12 rendered on and after that date. However an election made by a
13 member who retires prior to or on the first day of the month
14 following the system's receipt of the election shall be effective
15 one day prior to the effective date of the member's retirement.

16 ~~(b) A member who is employed by the state on or after~~
17 ~~January 1, 2000, with past service credited under the Second Tier~~
18 ~~may make an irrevocable election, at any time prior to retirement,~~
19 ~~to have his or her past Second Tier service credited under Section~~
20 ~~21354.1 by making contributions specified in Section 21073.1.~~
21 ~~This subdivision shall not apply to a Second Tier member~~
22 ~~eligible to make the election provided in subdivision (a) until~~
23 ~~after the effective date of that election.~~

24 ~~(c)~~ A member subject to modified First Tier benefits pursuant
25 to Section 21353.5 shall become subject to Section 21353 or
26 21354.1, as applicable, and make contributions as specified in
27 Section 20677. The member's past service and contributions
28 credited as modified First Tier under Section 21353.5 shall be
29 converted to First Tier service and contributions and shall be
30 subject to Section 21353 or 21354.1, as applicable. Contributions
31 previously credited as modified First Tier and withdrawn by the
32 member may be redeposited under the conditions specified in
33 Section 20750, with the service credit and contributions subject
34 to Section 21353 or 21354.1, as applicable.

35 ~~(d)~~

36 (c) Operation and application of this section is subject to the
37 limitations set forth in Section 21251.13.